

What Is the Process?

The local unit of government must first establish an Obsolete Property Rehabilitation District consisting of one or more parcels or tracts of land characterized by obsolete commercial or commercial housing property. A resolution must be passed that determines the district to be an area characterized by obsolete properties. Prior to adopting a resolution, the community must give written notice by certified mail to all owners of all real property within the proposed district. Also, a public hearing must be held prior to adopting the resolution, with a public notice required not less than 10 days or more than 30 days prior to the date of the hearing.

Second, with the establishment of the district, the owner of an obsolete property can submit an application to the local unit of government for an obsolete property rehabilitation exemption certificate. Once a completed application is received, the clerk must notify the assessor and each taxing unit that levies property taxes (e.g. county, community college, library, etc.). Following the notice, a public hearing is required. The community can determine the number of years to apply the incentive, up to 12 years. The public hearings for the district and the exemption certificate may be held on the same day, but with individual public hearings.

Once approved locally, the application and resolution must be sent to the State Tax Commission. The State Tax Commission has 60 days to approve or disapprove the request. To apply for the abatement of school millage, the developer must make note of this on the application form.